



STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES - PROCUREMENT DIVISION

CONTRACT NOTIFICATION

*** NOT MANDATORY ***

CONTRACT NUMBER: 1-06-84-14

DESCRIPTION: SERVICE AWARDS, 25 YEAR AND
RETIREMENT

CONTRACTOR: FRANK T MARCHELLO & COMPANY

EFFECTIVE DATES: 10/25/2006 THROUGH 10/31/2009

SUPERSEDES CONTRACT NO.: 1-92-84-14

AREA: STATEWIDE

DISTRIBUTION: C-84-14

* TAX: Add appropriate sales and use tax.
Exempt from Federal Excise Tax.

*Food contracts are tax exempt.

RITA HAMILTON, Deputy Director

Use of this agreement by all agencies is not mandatory.

To obtain assistance or report non-compliance by supplier, or for any suggestions or recommendations write:

Department of General Services, Procurement Division, P.O. Box 989054, W. Sacramento, CA 95798-9054,
or call: Contract Administrator, JEFF JONES 916-375-4434, CALNET 480-4434

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SUPPLIER ID:

614999

NAME:

FRANK T MARCHELLO & COMPANY

ADDRESS:

21810 E BUCKSKIN DR
WALNUT, CA 91789

CONTACT:

909-594-5108

FRANK T MARCHELLO

FAX NUMBER:

909-594-4397

TERMS OF PAYMENT:

Net

FOB:

Destination

MINIMUM ORDER:

Small Business & DVBE Reference No.: 8102

E-MAIL: ftm@mindspring.com

SCOPE/CONTRACT PERIOD:

This contract covers the estimated three-year requirements of the State of California for Service Awards, 25 Year and Service Awards, Retirement. In addition, the contract contains an option for two extension periods for up to 12 months each. The State and the awarded supplier must mutually agree on the extension.

EXTRAORDINARY EXTENSION OPTION:

In the event of an extraordinary circumstance, the State may extend the contract for up to an additional year beyond the stated term and any noted extensions. Extensions during this period may occur in increments until the establishment of a new contract (not to exceed one-year). Exercise of this may occur in the event that a replacement contract cannot be established due to the protest of intent to award, or loss of key procurement staff, or extraordinary circumstance that would otherwise cause an unanticipated disruption in the contracting process.

If necessary, prices may be increased during an extraordinary extension option period, to the extent that the price is determined by the State to be "fair and reasonable." Requests for price increase(s) shall include substantiated information to support the proposed increase (e.g., manufacturer's price list, significant changes in published market indicators for the industry, certified raw material cost data, and any other substantiating information as requested by the State). In no event will price increases be accepted with retroactive effective dates.

NON-MANDATORY QUANTITIES:

The contract is non-mandatory for the contract period noted. Quantities shown in the Invitation for bid (IFB) were estimated only for award evaluation purposes, and the State does not guarantee that these quantities will be purchased. Consequently, there is no guaranteed contract minimum (or maximum).

The State is not be obligated to purchase supplier's excess inventory of any line item if actual purchases vary from the anticipated purchase pattern.

F.O.B. POINT:

All prices shall be FOB destination.

REGULAR DELIVERY REQUIREMENTS:

The supplier agrees to deliver the requested products within 45 days "After Receipt of Order" (ARO). The contractor agrees to deliver during the operating hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, except State observed holidays.

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ORDERING PROCEDURE:

The customer agency shall submit a Contract/Delegation Order Form (Std. 65) directly to the contractor showing the commodity code number, description, supplier's product code number, quantity, unit price and extension price.

Note: When ordering awards, be sure to include the following information on the purchase order:

- * The name of the awardee (please verify spelling)
- * A contact person
- * A phone number for the contact person

MINIMUM ORDER QUANTITY:

The Minimum order quantity will be one (1) gift or one (1) mounted certificate.

SUPPLIER INFORMATION:

Contract / Delegation purchase order shall be submitted to:

Company Name: Frank T Marchello Co., Inc. / Eagle Recognition
Address: 2706 Mountain Industrial Blvd., Ste. 300
City, State, Zip Code: Tucker, GA 30084
Telephone Number: (800) 898-2800
Fax Number: (770) 978-7413
E-Mail: ftm@mindspring.com

INVOICING REQUIREMENTS:

Supplier shall render invoices as instructed on each contract/delegation purchase order (Std. 65). Each invoice shall show the contract/delegation purchase order number, contract number, commodity code, commodity description, quantity, unit price and extension. All applicable taxes shall be noted and added to each invoice.

The State's obligation to make payment pursuant to the contract is subject to availability of appropriate funds. Receipt of a contract/delegation order under this contract is proof of availability of funds for that order.

USAGE REPORTS:

The supplier is required to submit a detailed usage report every three months commencing from the date of award to the Procurement Division, Contracts Management Unit. The report is to include the Commodity Code, Item Description, Quantity Ordered, Percent, Unit Price and Total for each line item, and the Quarterly Total. An annual report shall also be provided listing annual usage for each item. Invoice copies or lists of purchase orders will not fulfill this requirement.

TWENTY FIVE YEAR CERTIFICATE AND MOUNT:

Twenty Five (25) Year Service awards acquired through the contractor will be accompanied by the 25 Year Service Award Certificate and Mount, and white envelope at no extra charge.

Through this contract the supplier is able to provide the 25 Year Certificate and Mount, and white envelope as a stand alone item. See price pages for details.

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AUTHORIZED USE OF SIGNATURE:

The Department of General Services, Procurement Division (DGS-PD) is responsible for obtaining and providing to the awarded supplier an authorized facsimile representation of the current State of California Governor and the current State of California Secretary of State for the sole purpose of reproducing the signatures on the Award Certificate presented to State employees.

The awarded supplier and DGS-PD must agree to engage in a cooperative effort to ensure that the facsimile representation of the signatures of the Governor and the Secretary of State are not compromised.

In the event that the Governor and/or Secretary of State changes during the term of this contract, DGS-PD will be responsible for providing the supplier with facsimile representation(s) of the new Governor and/or Secretary of State. The supplier will be responsible to provide a change in the signature(s) on the 25 Year Award Certificate. In the event that more than one change is required, the cost of a second change would be borne by adding any additional cost to the cost of the certificate.

POST AWARD, REQUIREMENTS (1, 2 & 3):

1. MEDALLION SUBMITTAL:

(Post Award, Pre-Production)

The awarded supplier, within 48 calendar days from receipt of contract notification, is required to provide DGS-PD with samples of the "Great State of California Seal" medallion which will be mounted on the various 25 Year Service Awards and Retirement Service Awards. The various size medallion samples shall be representative of the different size medallions mounted on the 25 Year Wall Plaque, the Mantel Clock, the Man's Watch, the Woman's Watch, and the charm for the bracelet. The State will provide comments or approval within 10 calendar days. In the case where corrections are required, upon receipt of written notification, the supplier will have 21 calendar days to make the corrections, with the exception of the watch medallion. For the watch medallion, the supplier will have 48 days to make the corrections. If the suppliers fails to correct the problem within the time allotted, the supplier may be defaulted and the award made to the next lowest compliant bidder.

Due to time constraints, once the awarded supplier receives written notification that the medallion samples are approved by DGS-PD, the supplier may begin processing and filling orders.

2. SERVICE AWARD BROCHURES (AND BROCHURES BY ELECTRONIC MEDIUM):

(Post Award)

After the awarded supplier has received written approval of Medallion samples from DGS-PD, the supplier will supply the State with brochures depicting 25 Year and Retirement Service Awards. The State will work with the supplier on the design of the brochure. At a minimum, the brochure shall be 11" x 17", single fold, constructed on 80# text paper. Ink used shall be soybean based and be capable of being recycled. Both the the inside and outside shall be 4 color. The left inside page shall show the 25 Year Service Awards and the 25 Year Certificate. The right inside page shall show the Retirement Awards. The back page shall show ordering and program information.

Ordering and program information will be provided to the supplier within 7 calendar days of written approval of the medallion. Successful bidder shall submit draft of brochure to the Department of General Services, Procurement Division (DGS-PD), Attention: Jeff Jones, for approval, including photography, within 30 calendar days of receipt of ordering and program information. The State will provide comments or approval within 10 calendar days of receipt of draft. Supplier shall produce 2000 brochures and deliver them to DGS-PD within 28 calendar days after both of the following have been accomplished: 1) Receipt of comments and approval of the brochure by the State representative and 2) Brochures shall represent exactly what is offered in the bid.

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If required, up to 4000 additional brochures shall be provided at no additional cost during the term of the contract. (Any additional brochures that may be required would be provided by distributing any additional cost among the cost of the awards.)

3. PRODUCTION SAMPLES:

(Post Award)

After the awarded supplier has received final written approvals of the medallions and the brochures, all samples that have been reviewed to this point will be sent back to the supplier.

Within 30 calendar days of initial production beginning, the awarded supplier is to provide DGS-PD with a production sample of the following items with medallions and/or engraving plate installed. The production samples will be an exact representation of the items being issued to the customer agencies. The production samples will be kept on hand at DGS-PD for the purpose of periodic comparisons of awards received by the customer agencies. When the contract reaches its term date or is terminated for any other reason, the production samples will be returned to the supplier at the supplier's expense.

Production Sample Items:

1. A 25 year man's dial watch w/medallion
2. A 25 year woman's dial watch w/medallion
3. One pair of 25 Year bookends w/medallion
4. A 25 year Desk Clock and Pen Set w/engraving plate
5. A 25 year Wall Plaque w/medallion and Engraving Plate
6. A 25 year Herringbone Bracelet w/medallion charm
7. A 25 year Writing Portfolio, Gold Embossed
8. A retirement Crystal Vase with Base w/medallion
9. A retirement Mantel Clock w/medallion
10. A retirement Wall Clock w/medallion

MODIFICATION OF CONTRACT:

This contract may be modified in whole or in part upon mutual agreement of both parties. Such modifications shall be in writing, signed and dated by authorized representatives of each party.

GOVERNMENT CODE:

The code governing State employee's use for the contract is noted below:

- 19849.9. (a) Any appointing power may present an employee who has completed 25 or more years of State service a certificate, plaque, or other suitable memento and the cost of the same shall be a proper charge against the support appropriation of the department or office in which the employee serves. The cost of any certificate, plaque, or memento shall not exceed the sum of ninety dollars (\$90.00). A presentation may likewise be made to a retired employee who on the date of his or her retirement had completed 25 or more years of State service.
- (b) Beginning January 1, 2005, and every five years thereafter, the director may adjust the limit specified in subdivision (a) to reflect the average rate of inflation since the dollar amount was last adjusted.

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DIRECT ORDER BY STATE EMPLOYEE PROVISION:

Provision for orders placed directly by State employees shall be included as a part of the contract.

Prices and ordering procedures will be negotiated between the State and the contractor. Orders of this type are infrequent and would not occur under the provisions of Government Code 19849.9. Under this provision, pricing can exceed the price offered in the IFB and may and may exceed the maximum allowed under the Government Code.

PRICE:

Prices shall be maximum for the life of the contract.

PRICE DECLINES:

The supplier shall immediately notify the State of all manufacturer's price declines and the State shall receive full benefit of such declines, effective on the date of the manufacturer's general public announcement.

PACKAGING:

All items shall be wrapped in protective material so as to provide adequate protection during shipment. All items shall be shipped in a manner to assure timely delivery and protection of material. Any items damaged during shipping or delivery shall be rejected and repaired or replaced by the vendor at the State's discretion, at no cost to the State.

All award items shall be packaged in a gift presentation box. The outer box shall be labeled with recipient's name and location code.

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ITEM NO.	COMMODITY NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
<p><u>NOTE:</u> All 25 Year Service Award Prices are to include the 25 Year Certificate and Mount and white envelope.</p>					
1	8455-000-0029-6	614999	EA	<p>AWARD SERVICE 25 YEAR MENS WATCH CUSTOM DIAL TRADITIONAL (COLLAGE SCENE) Man's 25 Year Dial Watch w/State Seal Medallion</p> <p><u>Product Code Number</u> S4806-BL-R-25 S4806-BL-L-25 S4806-BR-R-25 S4806-BR-L-25</p> <p><u>IMPORTANT NOTE:</u> When ordering watches, please identify on the Std. 65 the band color (<u>Brown or Black</u>) and the length (<u>Reg or Long</u>).</p>	87.3300
2	8455-000-0030-2	614999	EA	<p>AWARD SERVICE 25 YEAR WOMENS WATCH CUSTOM DIAL TRADITIONAL (COLLAGE SCENE) Woman's 25 Year Dial Watch w/State Seal Medallion</p> <p><u>Product Code Number</u> S4856-BL-R-25 S4856-BL-L-25 S4856-BR-R-25 S4856-BR-L-25</p> <p><u>IMPORTANT NOTE:</u> When ordering watches, please identify on the Std. 65 the band color (<u>Brown or Black</u>) and the length (<u>Reg or Long</u>).</p>	87.3300

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ITEM NO.	COMMODITY NO. SUPPLIER PART NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
3	8455-000-0019-3	614999	EA	PREMIUM (AS DESCRIBED) BINOCULARS <u>Product Code Number</u> Bushnell 13-7307	76.7400
4	8455-000-0019-3	614999	EA	PREMIUM (AS DESCRIBED) BOOKENDS w/MEDALLION <u>Product Code Number</u> R18S	87.6900
5	8455-000-0039-9	614999	EA	AWARD SERVICE 25 YEAR ROSEWOOD PEN & CLOCK DESK SET DESK CLOCK/PEN SET W/ENGRAVING PLATE <u>Product Code Number</u> HM613-588	87.7700
6	8455-000-0041-7	614999	EA	AWARD SERVICE 25 YEAR HUNTING KNIFE SPORT KNIFE <u>Product Code Number</u> 297BBR	59.4100
7	8455-000-0008-9	614999	EA	AWARD SERVICE 25 YEAR WALL PLAQUE WITH MEDALLION <u>Product Code Number</u> 2.6 Plaque	74.5500

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ITEM NO.	COMMODITY NO. SUPPLIER PART NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
8	8455-000-0019-3	614999	EA	PREMIUM (AS DESCRIBED) DRILL, CORDLESS <u>Product Code Number</u> Sk11-2466-02	80.6000
9	8455-000-0010-7	614999	EA	AWARD SERVICE 25 YEAR WOMAN'S CHARM BRACELET BRACELET/HERRINGBONE W/STATE SEAL MEDALLION CHARM <u>Product Code Number</u> LGG14K-6.5 LGG14K-7.0 LGG14K-7.5	90.0000
<p><u>IMPORTANT NOTE:</u> When ordering the bracelet, please identify on the std. 65 the length desired (6.5", 7.0", or 7.5").</p>					
10	8455-000-0019-3	614999	EA	PREMIUM (AS DESCRIBED) WRITING PORTFOLIO, GOLD EMBOSSED <u>Product Code Number</u> B4205	87.6200

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ITEM NO.	COMMODITY NO. SUPPLIER PART NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
11	8455-000-0031-4	614999	EA	AWARD SERVICE RETIREMENT MENS WATCH CUSTOM DIAL TRADITIONAL (COLLAGE SCENE) Man's Retirement Dial Watch w/Great State Seal Medallion <u>Product Code Number</u> S4806-BL-R-R S4806-BL-L-R S4806-BR-R-R S4806-BR-L-R <u>IMPORTANT NOTE:</u> When ordering watches, please identify on the Std. 65 the band color <u>(Brown or Black)</u> and the length <u>(Reg or Long)</u> .	82.4600
12	8455-000-0032-6	614999	EA	AWARD SERVICE RETIREMENT WOMENS WATCH CUSTOM DIAL TRADITIONAL (COLLAGE SCENE) Woman's Retirement Dial Watch w/Great State Seal Medallion <u>Product Code Number</u> S4856-BL-R-R S4856-BL-L-R S4856-BR-R-R S4856-BR-L-R <u>IMPORTANT NOTE:</u> When ordering watches, please identify on the Std. 65 the band color <u>(Brown or Black)</u> and the length <u>(Reg or Long)</u> .	82.4600

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ITEM NO.	COMMODITY NO. SUPPLIER PART NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
13	8455-000-0035-1	614999	EA	AWARD SERVICE RETIREMENT CRYSTAL VASE AND BASE WITH MEDALLION <u>Product Code Number</u> 108281	90.0000
14	8455-000-0036-3	614999	EA	AWARD SERVICE RETIREMENT JEWELRY BOX WITH MEDALLION LID <u>Product Code Number</u> QAJB	63.5900
15	8455-000-0037-5	614999	EA	AWARD SERVICE RETIREMENT MANTEL CLOCK WITH MEDALLION ANNIVERSARY STYLE <u>Product Code Number</u> B8809	86.5700
16	8455-000-0019-3	614999	EA	PREMIUM (AS DESCRIBED) Wall Mount Clock w/Medallion <u>Product Code Number</u> HM625-326	63.9800
17	8455-000-0043-0	614999	EA	AWARD SERVICE 25 YEAR CERTIFICATE AND MOUNT	4.5000

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ITEM NO.	COMMODITY NO. SUPPLIER PART NO.	SUPPLIER NO.	UNIT	DESCRIPTION	UNIT PRICE
18	8455-909-0001-1	614999	VA	FOR DATA ENTRY USE ONLY MISC-DGS/PROCUREMENT USE ONLY	VARIABLE